

CONTRACT #2
RFS # 318.65-205

**Department of Finance &
Administration**

Bureau of TennCare

VENDOR:
**QSource Center for
Healthcare Quality**



STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

RECEIVED
DEC 01 2006
FISCAL REVIEW

November 29, 2006

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

Attention: Leni Chick:

RE: Bureau of TennCare Contracts Submitted for Fiscal Review

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee amendment #6 to the Electronic Data Systems Corporation and EDS Information Service, L.L.C., RFS 318.65-080. This competitively bid contract provides Development, Implementation and Replacement of the TennCare Management Information System (TCMIS). This amendment comprises two major components of service, the extension of the current contract Facility Management of the TCMIS and additional services outside the scope of the original contract. The extension of current Facility Management services comprises 40% of the total amendment expenditures. These services include all of the daily operational components required to provide Medicare/Medicaid and Fee for service health care to the 1.1 million Tennessee residents enrolled in TennCare. In order to maintain these services to TennCare enrollees during the development, procurement and implementation of the required replacement contract for our current facility manager (EDS), we requested the extension of the current contract services in order to prepare for this transition. The remaining 60% of the expenditures include two categories of additional components to the Facility Management contract. The first addresses the federally mandated requirement that all health care providers within the United States possess a unique National Provider Identification (NPI) number. The Code of Federal Regulations requires the implementation of NPI by May 27, 2007. This requires TennCare to modify all systems in order to identify all providers using the NPI. This modification to our systems is funded by 90% Federal Funds Participation. The second component of additional services identifies areas outside the scope of services specifically listed in the original contract. These ancillary components of the amendment indirectly address areas TennCare is responsible for adhering to judicial decrees, as well as improved operational efficiencies.

Additionally, TennCare is submitting for review amendment #1 to QSource Center for Healthcare Quality, RFS 318.65-205, the competitively bid contractor providing External Quality Review of TennCare Managed Care Organizations, Behavioral Health Organization and the Dental Benefits Manager. This amendment provides an additional component of comprehensive quality assurance and quality improvement including elderly and disabled Home and Community Based (HCBS) programs in Tennessee. The elderly and disabled waiver programs include the Statewide HCBS Waiver for the Elderly and Disabled as well as the Program of All-Inclusive Care for the Elderly (PACE) Program. TennCare's Long Term Care Program is mandated by the Centers of Medicaid and Medicare Services (CMS) to provide quality assurance and quality improvement programs. We feel it is in the best interest of the State to rely on an already established contractor to perform these critical oversight functions until a competitively awarded contractor can be identified solely for the elderly and disabled. Funding to support this one year amendment is \$179,820.00.

The following Managed Care Organizations (MCOs) are being amended to provide extension of term as well as funding to support this extension. Additionally, the amendment provides the following modifications to current MCO language: (1) Fraud and Abuse language clarification, incorporating CMS requirements as they relate to enrollee hospice care; (2) In response to request from Fiscal Review, incorporates revisions to requirements of current Conflict of Interest language; (3) clarification of Systems Requests including Disaster Recovery Plan; (4) Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," includes language prohibiting the MCO or any provider from smoking tobacco products within any indoor premises in which services are provided pursuant to individuals under the age of eighteen (18) years; (5) Prohibition of Illegal Immigrants, per the requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of services to the state of Tennessee and (6) revised reimbursement requirements for non-participating emergency providers in accordance with the Deficit Reduction Act.

Volunteer State Health Plan, Inc. (TennCare Select)	RFS 318.66-026	FA-02-14632-16
Volunteer State Health Plan, Inc.	RFS 318.66-028	FA-02-14859-19
Memphis Managed Care Corp (TLC)	RFS 318.66-030	FA-02-14861-02
Unison Health Plan of TN, Inc.	RFS 318.66-017	FA-02-14858-12
Preferred Health Plan	RFS 318.66-032	FA-02-14863-11
John Deere	RFS 318.66-029	FA-02-14860-11
Windsor Health Plan of TN, Inc. (term extension for 3 mos. only)	RFS 318.66-033	FA-02-14864-11
UAHC Health Plan of TN, Inc. (term extension for 6 mos. only)	RFS 318.66-027	FA-02-14862-12

The following two new competitively awarded Middle Tennessee MCOs are being amended to include the following modifications: (1) Require submission of Fraud and Abuse Compliance Plan for review and approval; (2) Clarification of reimbursement requirements of Hospice benefit package; (3) additional reporting requirements to support utilization activities; (4) clean up language of Deficit Reduction Act (payment requirements for out-of-plan emergency services) to refer to rules for payment terms in accordance with DRA; (5) Clarification of TPL/Subrogation reporting; addition of PCP, MRI, CT, and PET reporting; (6) Strengthen/Broaden language to require notice of any legal action against MCC or parent company; (7) Clarify that State does not have liability for costs beyond administrative fee, including liquidated damages, penalties, etc. (8) added State's language as required by new legislation that prohibits illegal immigrants from performing services of state contracts, and (9) revisions made for consistency throughout the agreement.

United HealthCare Plan of the River Valley, Inc.	RFS 318.66-051	FA-07-16937-01
AMERIGROUP Tennessee, Inc.	RFS 318.66-052	FA-07-16936-01

In addition to the amendments listed above, TennCare is also submitting for review the following Behavioral Health Organization (BHO) amendments that provides the following modifications to BHO language: (1) New reporting requirements for Institutions for Mental Disease (IMD); (2) Additional language reinforcing requirements for EPSDT outreach and responsibility of the BHOs for services delegated to their providers; (3) Add requirement of Fraud and Abuse Compliance Plan for review and approval; (4) Clean up Deficit Reduction Act language to refer to rules for payment terms in accordance with DRA; (5) Revise Conflict of Interest language to be consistent with Middle TN RFP Pro Forma in accordance with agreed upon language with Fiscal Review; (6) Clarification of TPL reporting and IS/Disaster recovery reporting; (7) strengthen language to require notice of any legal action against MCC or parent company; (8) added language mandated by new legislation prohibiting use of illegal immigrants for performance of state contracts; (9) clarify that state has no liability for costs beyond administrative fee,

Mr. Jim White
Page 3

including liquidated damages, penalties, etc.; (10) general housekeeping revisions made for consistency throughout the agreement.

Premier Behavioral Health Systems Of Tennessee, LLC	RFS 318.66-022	FA-01-14662-17
Tennessee Behavioral Health, Inc.	RFS 318.66-023	FA-01-14661-16
Tennessee Behavioral Health, Inc. (East Tennessee Region)	RFS 318.66-050	FA-05-16089-07

The Bureau of TennCare would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee.

Sincerely,



Scott Pierce
Chief Financial Officer

Cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	318.65-205	
2) State Agency Name :	Department of Finance and Administration, Bureau of TennCare	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	External Quality Review of TennCare MCO/BHO/DBM	
4) Contractor :	QSource Center for Healthcare Quality	
5) Contract #	FA-06-16559-00	
6) Contract Start Date :	October 1, 2005	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	September 30, 2008	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$7,762,116.00	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	1	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	January 1, 2007	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	September 30, 2008	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$7,941,936.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
The Contractor shall provide comprehensive quality assurance and quality improvement program for elderly and disabled Home and Community Based Services (HCBS) programs in Tennessee. The elderly and disabled waiver programs include the Statewide HCBS Waiver for the Elderly and Disabled and the Program of All-inclusive Care for the Elderly (PACE) Program.		
15) Explanation of Need for the Proposed Amendment :		

The Bureau of TennCare is mandated by the Centers of Medicaid and Medicare Services (CMS) to provide comprehensive quality assurance and quality improvement programs for the elderly and disabled and Home and Community Based Services (HCBS) programs in Tennessee. Onsite reviews, home visits and office visits are required to gather quality assurance data and conduct surveys.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Albert J. Grobmyer III, M.D., Chief Executive Officer
QSource Center for Healthcare Quality
3175 Lenox Park Blvd., Suite 309
Memphis, TN 38115

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one: ☒ Documentation Not Applicable to this Request ☐ Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one: ☒ Documentation Not Applicable to this Request ☐ Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one: ☒ Documentation Not Applicable to this Request ☐ Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

A Request for Proposal was released in July, 2005, to identify a contractor for External Quality Review for MCOs/BHOs and DBM, at which time QSource Center for Healthcare Quality was awarded the contract. Due to the fact that their expertise is in External Quality Review, TennCare felt it was in the best interest of the Long Term Care Program to amend existing contract to include quality assurance and quality improvement for this program for a period of one year, at which time an RFP will have been developed and a contract awarded to perform long-term care services.

21) Justification for the Proposed Non-Competitive Amendment :

After going through the competitive process to identify reliable, consistent contractor to perform External Quality Review for MCOs/BHOs/DBM, TennCare feels it is appropriate to use this contractor for long-term services as well. TennCare has identified a significant need for a comprehensive quality assurance and quality improvement program for elderly and disabled Home and community Based Services programs in Tennessee. The Bureau would greatly appreciate the approval of this amendment by the Fiscal Review Committee.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

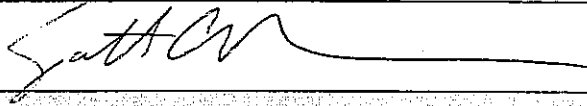

Agency Head Signature


Date

C O N T R A C T S U M M A R Y S H E E T

8-8-05

RFS #			Contract #		
318.65-205			FA-06-16559-01		
State Agency			State Agency Division		
Department of Finance and Administration			Bureau of TennCare		
Contractor Name			Contractor ID # (FEIN or SSN)		
QSource Center for Healthcare Quality			<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 620924699 00		
Service Description					
External Quality Review of TennCare MCO/BHO/DBM and HCBS					
Contract Begin Date		Contract End Date		SUBRECIPIENT or VENDOR?	
October 1, 2005		September 30, 2008		Vendor	
				CFDA #	
				93.778 Dept. of Health & Human Services/Title XIX	
Mark, if Statement is TRUE					
<input checked="" type="checkbox"/> Contractor is on STARS as required			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required		
Allotment Code		Cost Center	Object Code	Fund	Funding Grant Code
318.65		042	083	11	
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	\$484,950.00	\$1,454,829.00			\$1,939,779.00
2007	\$669,070.00	\$2,007,212.00			\$2,676,282.00
2008	\$669,070.00	\$2,007,212.00			\$2,676,282.00
2009	\$162,400.00	\$487,193.00			\$649,593.00
TOTAL:		\$1,985,490.00	\$5,956,446.00		\$7,941,936.00

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #		
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Scott Pierce 507-6415		
2006	\$1,939,779.00		State Agency Budget Officer Approval		
2007	\$2,586,372.00	\$89,910.00			
2008	\$2,586,372.00	\$89,910.00			
2009	\$649,593.00	\$0.00	Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)		
TOTAL:		\$7,762,116.00			
End Date:	09/30/2008	09/30/2008			

Contractor Ownership					
<input type="checkbox"/> African American	<input type="checkbox"/> Disabled	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT minority/disadvantaged	
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—		
Contractor Selection Method					
<input checked="" type="checkbox"/> RFP		<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation		<input type="checkbox"/> Government		<input type="checkbox"/> Other	
Procurement Process Summary					

**AMENDMENT #1
TO FA-06-16559-00
BETWEEN THE DEPARTMENT OF FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND
QSOURCE CENTER FOR HEALTHCARE QUALITY**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Bureau of TennCare, hereinafter referred to as the State or TennCare, and QSource Center for Healthcare Quality, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following language to Section A, Scope of Services:

- A.9. The Contractor shall provide a comprehensive quality assurance and quality improvement (QA/QI) program for elderly and disabled Home and Community Based Services (HCBS) programs in Tennessee. The elderly and disabled programs include the Statewide HCBS Waiver for the Elderly and Disabled and the Program of All-inclusive Care for the Elderly (PACE) Program.
- A.10. The Contractor shall provide ongoing support and technical assistance to the State and HCBS programs to integrate a quality improvement model approach with existing quality assurance activities provided through the Tennessee Commission on Aging and Disability and the PACE Program, administered by Alexian Brothers.
- A.11. The Contractor will conduct a comprehensive Quality Assurance review of the Statewide HCBS Waiver for the Elderly and of the PACE Program within the contract period. The review will be conducted through desk, field, and onsite audits using data collection tools collaboratively developed by the Contractor and TennCare.
- A.12. The Contractor will provide a comprehensive summary report of QA/QI review findings that is consistent with applicable Federal standards referenced in Version 3.3 of the Application for 1915 (c) Home and Community Based Waiver for waiver and PACE Program compliance. The report will cover all reporting standards and elements for HCBS and PACE programs associated with annual site surveys, will compare the quality of health care and service provided, per standards, identify areas for improvement, and monitor improvements over time.
- A.13. The Contractor will provide periodic follow up and technical assistance to HCBS and PACE Program contractors as indicated by the results of the evaluation and any resultant Corrective Action Plans.
- A.14. On a rolling annual basis the universe of all HCBS and PACE Program plan enrollees available from the TennCare files will be randomly selected and downloaded to the Contractor's EQRO server. The Contractor will perform quality checks on the eligible population of enrollees before the sample set is drawn. Quality control checks on the sample population will include verification of unique enrollee identification, unique health care service provider, and relevant inclusion/ exclusion criteria.
- A.15. The Contractor will randomly select a statistically valid 5% stratified random sample of enrollees from the TennCare claims file for each HCBS and PACE Program contractor, with a minimum of 5 selected per program. The Statewide plan 5% random sample will be a sample across the total program and supplemented as needed to ensure at least a 5% or minimum of 5 case sample representation for each HCBS and PACE Program contractor service area.

- A.16. At the State's request, the Contractor will select an over sample to replace any records included in the initial sample that fail to meet sampling criteria. Unique enrollees will be defined by the combination enrollee ID and enrollee address. Any errors in using this approach to unique beneficiary selection will be documented for future selections.
- A.17. The Contractor will use data collection tools collaboratively developed by the TennCare Department of Long Term Care and Contractor in conducting annual quality surveys. When finalized, the data collection tools will be converted to an electronic format developed in Microsoft Access® or similar application designed specifically for HCBS annual quality surveys. The tool will include all applicable review standards and will capture details pertaining to level of compliance in meeting each element as well as allow for use of a scoring system. Additionally, any comments the reviewer has regarding how the HCBS contractor met or did not meet the intent of the standard and strengths or opportunities for improvement are captured.
- A.18. The Contractor will conduct enrollee home visits and onsite HCBS and PACE Program contractor office visits to gather quality assurance data. The survey process includes:
- a. Onsite and desk review of HCBS and PACE Program QA plans, policies and procedures, educational outreach materials, employee training programs, and adequacy of staffing and resources,
 - b. Onsite medical record review for all sampled enrollees that includes documentation of care plans, eligibility and required standards for enrollee service,
 - c. Onsite interviews with HCBS and PACE Program contractor personnel, and
 - d. Field interviews with enrollees and/or caretakers.
- A.19. The Contractor will process each HCBS and PACE Program plan surveys as follows:
- a. TennCare will request and/or provide extract files to Contractor who will select files from TennCare data provided and generate a list of enrollee home visits for each HCBS and PACE Program contractor along with a hard copy home visit data collection tool for each enrollee included in the sample.
 - b. The Contractor will contact the enrollee/enrollee caretaker to schedule the home visit.
 - c. Prior to making the home visit, the Contractor will request a copy of the enrollee's plan of care from the HCBS and PACE Program contractor and enrollee specific billing data from TennCare to validate services provided for the enrollee during the preceding year.
 - d. During the home visit, the surveyor will review with the patient/patient caretaker each applicable component listed on the worksheet. The surveyor will document on the worksheet each finding under the appropriate category of "yes", "no", or "not applicable". Enrollee home modifications will be inventoried onsite, as appropriate, using home modification billing data. In the event a component is responded to or evaluated negatively on the quality assurance worksheet, the surveyor will provide justification for the determination in the comment section on the worksheet. Discrepancies in inventoried versus billed modifications will be noted.
 - e. After completion of each HCBS and PACE Program's enrollee home visits, the surveyor will visit the HCBS and PACE Program contractor site to compare his/her home visit findings with the patient's medical record to ascertain if the record contains documentation that any noted concerns are being addressed by the HCBS and PACE Program contractor. The surveyor will also conduct a multi-

component record review covering the previous 12 months to ensure appropriate documentation is maintained and to assist in assessing service delivery.

- f. The surveyor will then conduct an administrative review that will include plan policies, procedures, QA/QI plans, complaints and appeals handling, personnel qualifications and enrollee survey data.
 - g. At the completion of the survey, the surveyor will conduct an exit conference to provide an overview of the program evaluation findings.
- A.20. The Contractor shall provide reports to TennCare that assess HCBS and PACE Program contractor compliance with waiver and PACE program requirements, compare the quality of health care and service to enrollees, identify areas for improvement, and monitor improvements over time. The Contractor will simultaneously submit a draft report to each HCBS and PACE Program contractor and TennCare within 30 days of the conclusion of each HCBS and PACE Program contractor review. HCBS and PACE Program contractors will be provided 30 days to comment on the report. An extension to the 30-day comment period will be considered with approval from TennCare. A revised final draft, incorporating contractor comments as appropriate, will be provided to TennCare within 15 days of receipt of the plan's comments. A final report will be submitted by the Contractor within 80 days of the conclusion of each HCBS and PACE Program contractor's onsite survey. Within 80 days of the conclusion of all HCBS and PACE Program contractor audits, the Contractor will provide a comprehensive final report on all Elderly and Disabled HCBS waiver and PACE program contractors surveyed during the contract year.
- A.21. The reports for each HCBS and PACE Program contractor will be provided in electronic and hard copy formats. The following sections will be included in each quality survey report.
 - a. Executive Summary
 - b. Methodology
 - c. Evaluation and Scoring
 - d. Strengths (Best Practices) and Opportunities for Improvement (Weaknesses)
 - e. Recommendations for Corrective Action and Follow-up
- A.22. The Contractor shall conduct the HCBS and PACE Program Quality Review by using three data collection tools: an administrative review tool, medical record review tool, and home visit tool. Applicable tools for use by Contractor will be developed by Contractor in conjunction with TennCare staff.
- A.23. The Contractor shall ensure each individual plan report includes a summary of strengths and opportunities for improvement associated with each element of the survey. The Contractor will assure that the annual report includes all applicable components gathered through the survey process to facilitate CMS 373-Q and 372 Reporting.
- A.24. In the event an HCBS and PACE Program contractor has not demonstrated satisfactory level of performance, as identified by the contractor and TennCare's mutually agreed system of evaluation, the HCBS and PACE Program contractor will be required to provide a corrective action plan (CAP) to TennCare designed to improve performance in those areas of poor compliance. In certain circumstances when key evaluation elements are found to be deficient but the overall or standard score is acceptable, the Contractor may recommend to TennCare that a Corrective Action Plan (CAP) be requested to assure that appropriate actions are taken to correct the deficiencies. TennCare may request the CAP from the HCBS and PACE Program contractor, or the Contractor may request it on TennCare's behalf. Once TennCare receives and reviews the corrective action plan, the CAP is forwarded to the Contractor for external review.

- A.25. The Contractor will complete a thorough evaluation of each CAP which is sent to TennCare with specific recommendations. The evaluation will address the following elements:
- a. Does the HCBS and PACE Program contractor CAP address the identified recommendation?
 - b. Does the HCBS and PACE Program contractor CAP meet the intent of the identified standard?
 - c. Does the HCBS and PACE Program contractor describe proposed actions to monitor improvement in deficient areas?
 - d. Is a realistic completion date identified?
 - e. Does the HCBS and PACE Program contractor identify a person responsible for actions described in the CAP?
 - f. Based on the quality and content of the CAP, is there a need for either a desk review or focused onsite review?
- A.26. The Contractor will track the status of each CAP on an ongoing basis using a tracking tool. The tool will be used to track deadlines and determine that they have been met in a timely fashion. Other necessary actions are tracked as well through the tool.
- A.27. At the direction of TennCare, the Contractor shall provide other quality review activities, beyond the annual quality survey, which may warrant corrective action.
- A.28. The Contractor shall work with TennCare and the HCBS and PACE Program contractors to evaluate CAPs and provide technical assistance to those HCBS and PACE Program contractors when satisfactory performance is not demonstrated for specified activities. When an HCBS and PACE Program contractor submits an External Quality Review related CAP which does not fully address the issue or does not sufficiently outline steps the plan will take to correct deficiencies, the Contractor will work with TennCare to identify the best possible next step interventions. At TennCare's direction, the Contractor will contact the HCBS and PACE Program contractor to discuss the portions of the CAP the State deems in need of refinement and provide technical assistance to the contractor so that a revised CAP can be implemented. Such assistance may be telephonic, in writing, or onsite, depending upon the degree of the deficiency and the plan's need for direction and guidance.
- A.29. When a contractor fails to meet TennCare performance expectations for two consecutive years, the Contractor will deem the HCBS and PACE Program contractor's CAP ineffectual and implement an intensified monitoring program. This program will include at a minimum:
- a. Quarterly review of written progress reports
 - b. Evaluation of data monitoring reports
 - c. Technical assistance
- Should the results of the intensified review fail to result in measurable progress on the part of the Plan, the Contractor will recommend to TennCare that further intervention will be required.
- A.30. The Contractor will host an educational meeting for the Elderly and Disabled HCBS and PACE Program contractors. The meeting will be held in Nashville, a central location for the contractors. This meeting shall provide multiple benefits that include;
- a. all HCBS and PACE Program contractors receive a consistent message,
 - b. HCBS and PACE Program contractors have an opportunity to network and build relationships, and
 - c. a non-competitive collaborative philosophy is fostered.

These meetings will be designed to result in improved outcomes for the HCBS contractors through an educational approach that addresses topics related to waiver requirements, TennCare policy, sharing of contractor best practices, quality of care studies, and continuing education. The Contractor shall seek input from TennCare and the HCBS and PACE Program contractors in planning meeting agendas.

A.31. The following deliverables and timelines shall be provided by the Contractor:

Key Deliverable	Due Date
Annual Work Plan, draft audit tool and protocol development with State	January 2007
Final PACE Audit Tool and Protocol to State for Approval	February 2007
Begin PACE Plan Survey	February 2007
Conclude PACE Plan Survey	March 2007
Annual Meeting with State/HCBS Plans	March 2007
Draft PACE Plan Report to Plan/State	March 2007
Final PACE Plan Report	April 2007
Final Statewide Audit Tool and Protocol to State for Approval	March 2007
Conduct Statewide Annual Survey	May - June 2007
Draft Statewide Plan Annual Report to Plan/State	July 2007
Final Statewide Plan Annual Report to State	August 2007
Submit Overall Annual Report to State	September 2007
Transition Phase for Contract Turnover or Year 2 planning	October 2007

A.32. The State will keep the Contractor informed of any negotiated or directed changes to its HCBS and PACE Program waiver and associated requirements.

2. Delete Section C.1 in its entirety and replace with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Seven Million Nine Hundred Forty-One Thousand Nine Hundred Thirty-Six Dollars (\$7,941,936.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to; all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

3. Delete Section C.3 in its entirety and replace with the following:

C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or

project milestones defined in Section A. The Contractor shall be compensated based upon satisfactory completion and submission of the milestones below at the following Service Rates:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
-------------------------------	---------------

General Administration and Operation (inclusive of all required and ad hoc activities, data analysis, and reports)

\$215,531.00/month

Effective January 1, 2007 – December 31, 2007

Quality Assurance and Quality Improvement Services for Home and Community Based Elderly and Disabled in Tennessee

\$14,985.00/month

Extension Rate Should Contract be Renewed

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
-------------------------------	---------------

General Administration and Operation (inclusive of all required and ad hoc activities, data analysis, and reports)

\$233,870.00
per month

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

QSOURCE CENTER FOR HEALTHCARE QUALITY:

Albert J. Grobmyer III, M.D., Chief Executive Officer

DATE

DEPARTMENT OF FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE:

M. D. Goetz, Jr., Commissioner

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

CONTRACT SUMMARY SHEET

8-8-05

RFS #		Contract #	
318.65-205		FA-DB-16559-CC	
State Agency		State Agency Division	
Department of Finance and Administration		Bureau of TennCare	
Contractor Name		Contractor ID # (FEIN or SSN)	
QSource Center for Healthcare Quality		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 620924699 00	
Service Description			
External Quality Review of TennCare MCO/BHO/DBM			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
October 1, 2005	September 30, 2008	V	93.778 Dept. of Health & Human Services/Title XIX

Mark, if Statement is TRUE

☒ Contractor is on STARS as required
 ☒ Contractor's Form W-9 is on file in Accounts as required

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
318.65	042	134 083	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	\$484,950.00	\$1,454,829.00			\$1,939,779.00
2007	\$646,590.00	\$1,939,782.00			\$2,586,372.00
2008	\$646,590.00	\$1,939,782.00			\$2,586,372.00
2009	\$162,400.00	\$487,193.00			\$649,593.00
TOTAL:	\$1,940,530.00	\$5,821,586.00			\$7,762,116.00

— COMPLETE FOR AMENDMENTS ONLY —		
FY	Base Contract & Prior Amendments	THIS Amendment ONLY
TOTAL:		
End Date:		

State Agency Fiscal Contact & Telephone #

Scott Pierce 507-6415

State Agency Budget Officer Approval

[Signature]

Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

OCT - 3 2005

Contractor Ownership

☐ African American ☐ Disabled ☐ Hispanic ☐ Small Business ☒ NOT minority/disadvantaged
☐ Asian ☐ Female ☐ Native American ☐ OTHER minority/disadvantaged

Contractor Selection Method

☒ RFP ☐ Competitive Negotiation ☐ Alternative Competitive Method
☐ Non-Competitive Negotiation ☐ Government ☐ Other

Procurement Process Summary

The Bureau of TennCare released Request for Proposal for External Quality Review Contractor. QSource responded with an appropriate proposal and cost proposal proportionate to services being provided.

RECEIVED
 2005 SEP 26 AM 11:30
 COMPTROLLER'S OFFICE
 OFFICE OF
 MANAGEMENT SERVICES